



Tennessee Department of Agriculture
Ellington Agricultural Center, Box 40627, Nashville, Tennessee 37204
615-837-5100 / FAX: 615-837-5333

Ken Givens
Commissioner

Phil Bredesen
Governor

November 13, 2009

Dear Producer,

The American Recovery and Reinvestment Act of 2009 (ARRA) has authorized the Tennessee Department of Agriculture to administer the 2008 Aquaculture grant program (2008 AGP). The 2008 AGP will assist eligible aquaculture producers that suffered losses associated with high feed input costs during the 2008 calendar year.

Assistance may be provided to aquaculture producers that meet the following criteria:

- Aquaculture producers must have been in production during the calendar year 2008 and actively engaged in production in 2009
- Eligible producers must verify that their feed costs during 2008 represented at least 25 of their total input costs
- The 2008 price of feed paid for by eligible producers must be at least 25 percent greater than their previous 5 year average for each aquaculture species

To determine producer eligibility, the Tennessee Department of Agriculture is requesting aquaculture producers with losses to complete and return the enclosed application along with supporting documentation from their feed provider (total tons purchased and average feed cost per ton for 2008) **by November 30, 2009**. No application will be accepted after this date.

If you have any questions or need additional information, please contact Rob Beets at 615-837-5517 or robert.beets@tn.gov.

Sincerely,

Ken Givens
Commissioner of Agriculture

Enclosure: 2008 Aquaculture Grant Program Application

2008 Aquaculture Grant Program Agreement

State of Tennessee

THIS AGREEMENT, made and entered into by and between the *Tennessee Department of Agriculture, Marketing Division*, and

1. Name of Producer:		2. Fed Tax ID # _____ or Social Security # _____ DUNs # _____ (if Applicable)	
3. Address of Producer:		4. Phone Number:	5. Fax Number:
5. Primary Contact:		6. Primary Contact Address if different:	
7. Email:			
8. APPLICABLE SPECIES OF AQUACULTURE: <input type="checkbox"/> Catfish <input type="checkbox"/> Tilapia <input type="checkbox"/> Prawn <input type="checkbox"/> Koi <input type="checkbox"/> [other] _____		9. Tons of <input type="checkbox"/> Catfish <input type="checkbox"/> Tilapia <input type="checkbox"/> Prawn <input type="checkbox"/> Koi <input type="checkbox"/> [other] _____ Total Feed Purchased in 2008: _____	
10. Attach signed verification letter from feed provider certifying 1) tons of feed applicant purchased in 2008; 2) average price per ton producer paid in 2008; and 3) 2008 tonnage report.			
11. Are you an aquaculture producer in another State? <input type="checkbox"/> Yes <input type="checkbox"/> No If you answered yes to the above question, list all States applicable: _____ Are you currently a producer? <input type="checkbox"/> Yes <input type="checkbox"/> No			
12. Loss Determination-Please fill in Species, your 2003-2007 feed costs average PER TON and your 2008 feed cost average PER TON in the spaces provided i) Species _____ 03-07 Average Feed Cost _____ 08 Average Feed Cost _____ ii) Species _____ 03-07 Average Feed Cost _____ 08 Average Feed Cost _____ iii) Species _____ 03-07 Average Feed Cost _____ 08 Average Feed Cost _____ iv) Species _____ 03-07 Average Feed Cost _____ 08 Average Feed Cost _____			
Section 13 will be completed by TDA. Your payment will be based on the average 2003-2007 feed costs of all applicants. Note: The producers 2008 average feed cost must exceed the 2003-2007 average of all applicants by 25%			
13. Calculation Determination: The amount of assistance an eligible aquaculture producer may receive shall be equal to: (TO BE COMPLETED BY TDA) a) Producers 2008 Average Price per Ton Minus the 2003-2007 (5-year) Average Price per Ton..... - Equals Payment rate..... = b) Multiplied by producers 2008 tons purchasedx Equals the amount a producer is eligible to receive before applying payment limitations & payment factor, if applicable=			

The amount a producer is eligible to receive after payments limitations
and payment factor, if applicable.....x

14. TERM OF AGREEMENT: Beginning with the 2009 calendar year through September 30, 2010.

15. COMPLIANCE WITH PROGRAM. PRODUCER agrees to comply with the terms and conditions of the 2008 AGP as specified by the STATE.

16. RECORDS AND AUDITS. PRODUCER agrees to maintain, for a period of 3 years after September 30, 2010, all records pertaining to the aquaculture operation during the term of this agreement. PRODUCER agrees to furnish such information and reports relating to this Agreement as may be requested by the STATE. Periodically, the STATE may require PRODUCER to forward to the STATE copies of any and all records that support the PRODUCER'S receipt of assistance under the 2009 AGP. The records required to be maintained by PRODUCER shall be available at all reasonable times for an audit or inspection by authorized representatives of the STATE or of the United States Department of Agriculture, or the Comptroller General of the United States. Failure to keep, or make available, such records will result in termination of this Agreement by STATE and refund to STATE of all benefits received, plus interest thereon, as determined by the STATE.

17. PRIMARY STATE CONTACT. Should any dispute or question arise concerning the implementation of this Agreement or the 2008 Aquaculture Grant Program, PRODUCER should contact the STATE official listed below:

Primary STATE Contact:

Rob Beets, Marketing Specialist

Phone: 615-837-5517

Fax: 615-837-5194

18. APPLICABLE LAWS. The provisions of this Agreement are subject to all applicable laws and authorities, including section 102(d) of the Economic Recovery Act of 2009.

19. SCHEME OR DEVICE. If the PRODUCER is suspected by STATE to have knowingly: (1) adopted any scheme or device which violates this Agreement; (2) made any fraudulent representation; (3) misrepresented any fact affecting a determination under this Agreement; or (4) otherwise violated the terms and conditions of the 2008 AGP, the STATE will notify the appropriate investigating agencies of the STATE and the United States Department of Agriculture and may terminate the Agreement with a full refund of all benefits received there under, plus interest, and the producer will be subject to penalties under applicable civil and criminal laws.

20. TERMINATION OF AGREEMENT. This Agreement will continue in force unless terminated in writing by STATE or by the mutual agreement of the parties. The STATE may terminate this Agreement without prior written notice when required to do so by programmatic requirements, expiration of authorizing legislation or authority, or the exhaustion of funds.

21. PRODUCER CERTIFICATIONS AND SIGNATURES. PRODUCER hereby certifies as follows:

- a. This agreement and all supporting documents (as required) are submitted in accordance with the 2008 AGP;
- b. For 2009, PRODUCER is currently raising the applicable aquaculture species in a controlled environment as of the day of the application, maintain such eligible species for commercial use as part of a farming operation, and have a risk in the production of such eligible species;
- c. For 2008, PRODUCER raised the applicable aquaculture species in a controlled environment, maintained such eligible species for commercial use as part of a farming operation, and had risk in the production of such eligible species; and
- d. Feed costs represented at least twenty-five percent of the total input costs for such aquaculture operation;
- e. PRODUCER has not received and will not receive assistance under section 531 of the Federal Crop Insurance Act or section 901 of the Trade Act of 1974. These programs include the emergency Assistance for livestock,

Honey Bees and Farm raised fish, Livestock Forage Disaster Program, Livestock Indemnity program, Supplemental Revenue Assistance Program, and Tree Assistance Program for any losses in 2008 relating to the applicable aquaculture species.

f. Records on file for the producer at an applicable FSA county office show:

- 1. That the average adjusted gross income does not exceed \$2.5 million for the preceding tax years (2005-2007), as calculated under regulations in 7 CFR Part 1400; and*
- 2. Compliance with the conservation compliance eligibility provisions for the other programs found at 7 CFR Part 12.*

g. I am a principal in the PRODUCER and I am fully authorized to make and sign this Agreement on behalf of PRODUCER; and

h. Funds received under the 2008 AGP will be used for costs associated with such aquaculture operation;

i. The statements made on this application and all 2008 AGP documents are true and correct;

j. I have read and understand all the provisions of this Agreement and agree to the terms and conditions herein. I further agree that any false statements made as a part of the 2008 AGP application, or any other documents pertaining to the 2008 AGP documents, can be the subject of substantial civil and/or criminal liability and sanctions.

Signature of Authorized Representative

Date

Title

23. STATE APPROVAL. This Agreement is executed by the STATE and shall be effective on the date indicated below,

On Behalf of State

Effective Date

SIGNED AGREEMENT. A signed copy of this agreement shall be sent to the following STATE contact on or before **Monday, November 30, 2009**. STATE official to receive agreement:

Rob Beets
Division of Marketing
Tennessee Department of Agriculture
440 Hogan Rd, Holeman Building
Nashville, TN 37220

State Guidelines

Section I. In General

a. The *Tennessee Department of Agriculture* will carry out a 2008 Aquaculture Grant Program to provide assistance to eligible aquaculture industries in the state. Assistance provided under this program will be equivalent to the amount of funds provided the State by a grant from the U.S. Department of Agriculture made in accordance with section 102(d) of the American Recovery and Reinvestment Act of 2009 (the "Act").

b. Assistance will be provided to eligible aquaculture producers of eligible aquaculture species through the provision of checks issued to such producers by the State of Tennessee. Such checks will be allocated to eligible aquaculture producers by the State and to be used by such producers for costs associated with their current aquaculture operation. Failure to comply with the terms and conditions of this program will subject the producer to a refund of any amounts received, plus interest, and to other penalties under applicable civil and criminal law.

Section II. Definitions

The following words shall have the following meanings when used in these guidelines:

a. ***Eligible Aquaculture Species*** means a species of aquaculture produced in the state for which feed is at least twenty-five percent of the total input costs associated with producing such species, as determined by the State.

b. ***Substantial Price Increase of Feed*** means an increase in the average price of feed sold to the producer of eligible aquaculture species that is 25 percent above the previous 5-year average, as determined by the State.

d. ***Eligible Aquaculture Producer*** means an individual or entity that--

- (1) During 2009, raises an eligible aquaculture species in a controlled environment, maintains such species for commercial use as part of a farming operation and has a risk in the production of such species.
- (2) Produced an eligible aquaculture species during calendar year 2008.
- (3) Has been determined by the Tennessee Agriculture Department to have experienced a twenty-five percent price increase of feed costs in 2009.
- (4) Enters into a 2008 Aquaculture Grant Program Agreement with The Tennessee Department of Agriculture and agrees to abide by the terms and conditions of the 2008 Aquaculture Grant Program.
- (5) Certifies that funds received by the producer under the 2008 Aquaculture Grant Program will be used for costs associated with their current aquaculture operation.

Section III. Implementation Agreements

In order to participate in the 2008 Aquaculture Grant Program, Eligible Aquaculture Producers must enter into a 2008 Aquaculture Grant Program Agreement with the Tennessee Department of Agriculture. The Tennessee Department of Agriculture will not allocate any grant payments to any aquaculture producers within the State unless such producer has submitted an executed

2008 Aquaculture Grant Program Agreement to the Tennessee Department of Agriculture by Monday, November 30, 2009.

Section I V. Records and Audits

a. Eligible Aquaculture Producers that participate in the 2008 AGP shall –

- (1) Maintain, for a period of 3 years after September 30, 2010, all records pertaining to the aquaculture operation during the calendar years 2009.
- (2) Furnish such information and reports relating to the program as may be requested by the Tennessee Department of Agriculture.
- (3) Forward to the Tennessee Department of Agriculture copies of any and all records that support the receipt of assistance under the 2008 AGP.
- (4) Make such records available at all reasonable times for an audit or inspection by authorized representatives of the Tennessee Department of Agriculture or of the United States Department of Agriculture, or the Comptroller General of the United States.

b. Failure to keep, or make available, such records will result in a termination of eligibility under the program and any funds received under the program shall be refunded to the Tennessee Department of Agriculture, plus interest thereon, as determined by the Tennessee Department of Agriculture.